The House passed legislation late Tuesday authored by Rep. Peter Welch to allow credit unions to continue practices that offer convenience and clarity to their members.

The Credit CARD Technical Corrections Act (H.R. 3606) passed on a voice vote.

Welch’s bill sought to fix an unintended consequence of the Credit Card Accountability, Responsibility and Disclosure (Credit CARD) Act of 2009, which was passed by the House and signed by President Obama in May. That legislation provided a number of basic protections to consumers, by prohibiting arbitrary rate increases, double-cycle billing and due-date gimmicks.

A provision that intended to set a mandatory 21-day period before late fees could be assessed on credit card accounts unintentionally included all statements sent by financial institutions, including credit unions.

Following passage of the Credit CARD Act, Welch heard from Vermont credit unions that the 21-day rule would prevent them from sending consolidated statements to their members. Many credit unions save money for their customers and simplify billing by including savings accounts, checking accounts, home equity loans and other forms of open-end loans in one statement. The Credit CARD Act would have required credit unions to send separate statements for each account, resulting in significant additional costs and confusion.

Welch’s bill fixes the Credit CARD Act by limiting the 21-day rule to credit card bills.

“This simple fix will protect the important consumer protections we passed in May, while ensuring that Vermonters who belong to credit unions do not face increased costs, confusion and inconvenience,” Welch said.”

Close to 280,000 Vermonters – and 92 million Americans – belong to credit unions.